



May 10, 2012

Ms. Sharon Gillett
Chief, Wireline Competition Bureau
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

**Re: In the Matter of Connect America Fund, WC Docket No. 10-90; High-Cost
Universal Service Support, WC Docket No. 05-337**

Dear Ms. Gillett:

Matanuska Telephone Association, Inc. (MTA), a provider of incumbent local exchange telephone service to approximately 47,000 access lines in Alaska, seeks your timely assistance in evaluating recently adopted Quantile Regression Analysis (QRA) being applied to High Cost Loop Support (HCLS) beginning July 1, 2012.

On May 2nd I met with Carol Matthey, Joe Cavender, Amy Bender and Gary Seigel of the Wireline Competition Bureau. During our meeting, we discussed the newly adopted QRA and its impact on MTA. I raised the question of whether it may be possible that the results are based on factual data errors. We also attempted to identify someone at the Commission with whom my staff might communicate to understand the data and comparisons to other companies that allowed MTA to appear, in summary, in such a poor light.

On May 3rd I had separate meetings with Christine Kurth of Commissioner McDowell's office and Angela Kronenberg of Commissioner Clyburn's office. In each instance, MTA's dramatic change from the first regression analysis to the second was discussed.

In the previous version of QRA, MTA would have been eligible on an 'annualized' basis for approximately \$1.9M in recycled HCLS. This is in sharp contrast to the results we are seeing under the newly adopted version. Under the new version, MTA's recovery of capital expenditures is now capped. As a result, MTA would experience an 'annualized' reduction in HCLS of approximately \$770,000 under an initial-year 10% phase-in with anticipated reductions of approximately \$1.7M (50% phase-in) for 2013 and \$3.4M (100% phase-in) for 2014.

Given this dramatic change in outcome, and what we believe is an apparent mischaracterization of MTA based on the intent of the Order, MTA desires to verify the results for our company. However, the Order does not provide sufficient detail for us to independently evaluate the per-line expense limit being imposed absent our access to the information we are seeking. Specifically, MTA requests the FCC provide it with a

Matanuska Telephone Association Inc.
1740 South Chugach Street
Palmer, Alaska 99645

907.745.3211
800.478.3211 (in Alaska)

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copy of the QRA model, along with all work papers and/or similar explanatory information so it may fully understand how the per line limitation was achieved.

MTA requests that you provide this guidance as quickly as possible. Thank you in advance for your assistance.

Respectfully,

A handwritten signature in black ink, appearing to read 'Greg Berberich', with a long horizontal flourish extending to the right.

Greg Berberich
Chief Executive Officer

cc: Carol Matthey
Joe Cavender
Amy Bender
Gary Seigel